

Message Text

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PAGE 01 SEOUL 05397 270903Z
ACTION EA-12

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LIMITED OFFICIAL USE SEOUL 5397

E.O. 11652: N/A
TAGS: BENC, ETRD, KS
SUBJECT: MAJOR PROJECT: LARGE PROPYLENE GAS SUPPLY/SYNTHETIC PAPER
TECHNOLOGY LICENSE AND EQUIPMENT.

1. (BEGIN LIMITED OFFICIAL USE) POLYPROPYLENE MANUFACTURER NOW
RELYING TOTALLY ON JAPANESE SOURCES OF SUPPLY FOR PROPYLENE GAS
HAS REQUESTED THE ASSISTANCE OF THE SPINNERS AND WEAVERS ASSN. OF
KOREA (SWAK) IN SEEKING NON-JAPANESE U.S. SOURCE FOR 3,500
METRIC TONS (M/T) MONTHLY SUPPLY TO COMMENCE AS SOON AS
POSSIBLE. REQUIREMENTS WOULD EXPAND TO 11,000 M/T
MONTHLY (132,000 M/T ANNUALLY) DURING 1979. MANUFACTURER
WHICH IS ACUTALLY CONSUMING AT A RATE OF 6,500 TONS
MONTHLY WISHES TO TAPER OFF JAPANESE SUPPLY DURING REMAINDER
OF YEAR. PLANTS ON-SITE STORAGE CAPACITY IS ABOUT
5,000 M/T. TO ASSURE UNINTERRUPTED SUPPLY, FIRM WISHES
TO DEAL WITH U.S. PRODUCER HAVING SHIPPING CAPABILITY FOR
THE GAS. FIRM REQUESTS PRICE C.I.F. ULSAN, KOREA (INCLUDING
5 PC COMMISSION) FOR GAS MEETING FOLLOWING SPECIFICATIONS:

PROPYLENE	99.13 MOL PC, 99.10 WT.T
ACETYLENE	BELOW 1 MOL PPM
PROPANE	0.859 MOL PC
TOTAL C2 & LIGHTERS	0.0018 MOL PC
PROPADIENE	BELOW 1 MOL PPM

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TOTAL C4 & HEAVIERS	" 0.0001 MOL PC
BUTADIENE	" 1 MOL PPM
OXYGEN	" 1 WT. PPM
TOTAL SULPHUR	" 1 WT. PPM
WATER	2 WT. PPM
S.G.	0.523 15/R DEG. C

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2. (BEGIN UNCLASSIFIED) SAME FIRM ALSO REQUESTS PRODUCT INFORMATION PACKAGE ON THE TECHNOLOGY, LICENSING AND PRODUCTION MACHINERY FOR "SYNTHETIC PAPER" WHICH IS MADE OF POLYPROPYLENE. THE PAPER IN QUESTION APPEARS AS AN ORDINARY GLOSSY WHITE ONE OF EXCEPTIONAL TEAR RESISTANCE WHICH IS SUITABLE FOR SUCH USES AS BAGS, ENVELOPES AND SECURITY PAPER. WHEN TORN IT APPEARS SIMILAR IN APPEARANCE TO TORN ORIENTAL RICE PAPER OR A HIGH RAG CONTENT QUALITY TRADITIONAL PAPER IN THAT IT CANNOT BE TORN CLEANLY AND ITS FINE FIBRE COMPOSITION BECOMES EVIDENT IN THE TEARKING. THE INQUIRER UNDERSTANDS THAT "SYNTHETIC PAPER" IS MADE ONLY IN JAPAN AND IN THE U.S. AND THAT DUPONT IS REPORTEDLY THE PRINCIPAL MANUFACTURER IN THE U.S. OF THE PRODUCTION EQUIPMENT AS WELL AS THE PAPER ITSELF.

3. PROJECT CONTACT: INTERESTED U.S. FIRMS SHOULD DIRECTLY CONTACT:

MR. GWANGBAE KIM, CHIEF
DEPARTMENT OF PLANING AND INT'L AFFAIRS
SPINNERS AND WEAVERS ASSOCIATION OF KOREA
43-8 KWANCHUL-DONG
CHONGRO-KU, SEOUL, R.O.K.
(KOLE: SWAKOREA) (TELEPHONE: 74-9372)
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4. (BEGIN LIMITED OFFICIAL USE) POTENTIAL U.S. SALES: LARGE SCALE U.S. SUPPLIER/SHIPPER OF PROPYLENE GAS COULD REALIZE SALES AT A RATE OF \$26 MILLION ANNUALLY IN 1979 ON THE BASIS OF PLANT'S ESTIMATED CONSUMPTION OF 132,000 M/T AT \$200 PER MT. ESTIMATE FOR TECHNOLOGY LICENSING AND PRODUCTION LINE FOR "SYNTHETIC PAPER" NOT AVAILABLE, BUT COULD PROVIDE SUBSTANTIAL SALES AND ROYALTIES AND/OR INVESTMENT OPPORTUNITY SHOULD U.S. PATENT HOLDER REQUIRE CONTROL OF PRODUCT.

5. EMBASSY COMMENT: U.S. FIRMS HAVE HAD FEW OPPORTUNITIES TO MARKET INTERMEDIATE CHEMICAL RAW MATERIALS IN KOREA BECAUSE OF DOMINANCE OF JAPANESE SUPPLIERS. THIS OPPORTUNITY IS RELATED TO RECENT ROKG POLICY OF DIVERTING PROCUREMENT FROM JAPAN FOR BALANCE OF PAYMENTS REASONS WHENEVER POSSIBLE. IN THAT SENSE IT PRESENTS A RARE CHANCE TO ENTER A MARKET WHICH HAS HERETOFORE BEEN PREEMPTED FROM U.S. EXPORTS. IT IS ESSENTIAL TO IMPORTER THAT SUPPLY BE LARGE AND THAT DELIVERY BE RELIABLE; THEREFORE ONLY CAPABLE U.S. FIRM SHOULD BE ALERTED. SPECIAL

HANDLING IS REQUESTED. (END LIMITED OFFICIAL USE)

STERN

NOTE BY OC/T: TELEGRAM DELAYED IN TRANSMISSION

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Message Attributes

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Copy: SINGLE
Draft Date: 23 jun 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
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